

Fund description and summary of investment policy

The Fund is a feeder fund and invests only in the Orbis Global Equity Fund, managed by Allan Gray's offshore investment partner, Orbis Investment Management Limited. The Orbis Global Equity Fund is designed to be exposed to all of the risks and rewards of selected global shares. Returns are likely to be volatile, especially over short- and medium-term periods. Although the Fund's investment universe is global, the units in the Fund are priced and traded daily in rands.

ASISA unit trust category: Global – Equity – General

Fund objective and benchmark

The Fund aims to outperform global stock markets over the long term, without taking on greater risk. Its benchmark is the FTSE World Index, including income.

How we aim to achieve the Fund's objective

The Fund invests only in the Orbis Global Equity Fund. The Orbis Global Equity Fund is designed to be exposed to all of the risks and rewards of selected global shares. Orbis uses in-house research to identify companies around the world whose shares can be purchased for less than Orbis' assessment of their long-term intrinsic value. This long-term perspective enables Orbis to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. This is the same approach as that used by Allan Gray to invest in South African equities, except that Orbis is able to choose from many more shares, listed internationally.

Suitable for those investors who

- Seek exposure to diversified international equities to provide long-term capital growth
- Wish to invest in international assets without having to personally expatriate rands
- Are comfortable with global stock market and currency fluctuation and risk of capital loss
- Typically have an investment horizon of more than five years
- Wish to use the Fund as a global equity 'building block' in a diversified multi-asset class portfolio

Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

*Only available to investors with a South African bank account.

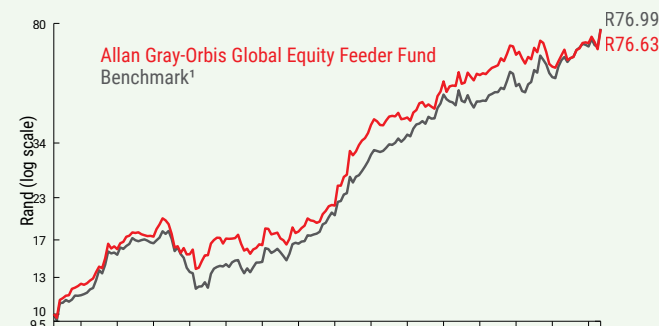
Fund information on 30 April 2020

Fund size	R20.4bn
Number of units	267 988 427
Price (net asset value per unit)	R76.29
Class	A

- FTSE World Index including income (source: Bloomberg), performance as calculated by Allan Gray as at 30 April 2020.
- This is based on the latest numbers published by IRESS as at 31 March 2020.
- Maximum percentage decline over any period. The maximum rand drawdown occurred from 6 June 2008 to 10 March 2009 and maximum benchmark drawdown occurred from 5 June 2008 to 6 March 2009. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
- The percentage of calendar months in which the Fund produced a positive monthly return since inception.
- The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
- These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 December 2013 and the benchmark's occurred during the 12 months ended 31 December 2013. The Fund's lowest annual return occurred during the 12 months ended 31 March 2009 and the benchmark's occurred during the 12 months ended 31 March 2009. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund		Benchmark ¹		CPI inflation ²	
Cumulative:	ZAR	US\$	ZAR	US\$	ZAR	US\$
Since inception (1 April 2005)	666.3	160.8	669.9	162.0	129.4	33.6
Annualised:						
Since inception (1 April 2005)	14.5	6.6	14.5	6.6	5.7	1.9
Latest 10 years	15.8	5.8	18.0	7.8	5.1	1.7
Latest 5 years	11.2	2.1	14.5	5.1	5.0	1.8
Latest 3 years	9.6	-1.4	16.8	5.0	4.2	1.9
Latest 2 years	10.4	-8.9	22.0	0.7	4.3	1.7
Latest 1 year	15.7	-9.4	22.3	-4.2	4.1	1.5
Year-to-date (not annualised)	10.4	-15.3	13.5	-13.0	1.9	0.1
Risk measures (since inception)						
Maximum drawdown ³	-34.1	-52.8	-38.0	-57.6	n/a	n/a
Percentage positive months ⁴	63.0	59.1	61.9	63.5	n/a	n/a
Annualised monthly volatility ⁵	15.6	17.4	14.2	15.7	n/a	n/a
Highest annual return ⁶	78.2	63.0	54.2	58.4	n/a	n/a
Lowest annual return ⁶	-29.7	-44.8	-32.7	-47.3	n/a	n/a

Meeting the Fund objective

Since inception the Fund has performed in line with its benchmark. Over the last 10 and five-year periods it has underperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund experiences periods of underperformance in pursuit of its objective of creating long-term wealth for investors, without taking on greater risk of loss than the global stock market. The maximum drawdown and lowest annual return numbers, in the 'Performance net of all fees and expenses' table, show that the Fund has successfully reduced downside risk in periods of negative market returns.

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus annually.	31 Dec 2019
Cents per unit	1.055

Annual management fee

Allan Gray does not charge an annual management fee but is paid a marketing and distribution fee by Orbis.

Orbis charges an annual management fee within the underlying Orbis Global Equity Fund. The fee rate is calculated based on the Orbis fund's performance relative to its benchmark. For more information please refer to the Orbis Global Equity Fund factsheet, which can be found at www.allangray.co.za

Total expense ratio (TER) and Transaction costs

The annual management fee charged by Orbis is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

TER and Transaction costs breakdown for the 1 and 3-year period ending 31 March 2020	1yr %	3yr %
Total expense ratio	1.06	1.70
Fee for benchmark performance	1.50	1.49
Performance fees	-0.50	0.16
Other costs excluding transaction costs	0.06	0.05
VAT	0.00	0.00
Transaction costs (including VAT)	0.07	0.10
Total investment charge	1.13	1.80

Top 10 share holdings on 30 April 2020

Company	% of portfolio
NetEase	9.1
British American Tobacco	7.9
XPO Logistics	5.7
AbbVie	4.7
Anthem	4.0
Bayerische Motoren Werke	3.8
Honda Motor	3.7
Newcrest Mining	3.4
UnitedHealth	3.3
Facebook	3.1
Total (%)	48.6

Asset allocation on 30 April 2020

This fund invests solely into the Orbis Global Equity Fund

	Total	North America	Europe and UK	Japan	Asia ex-Japan	Other
Net equity	97.7	30.7	23.6	12.8	21.3	9.3
Hedged equity	0.0	0.0	0.0	0.0	0.0	0.0
Fixed interest	0.0	0.0	0.0	0.0	0.0	0.0
Net current assets	2.3	0.0	0.0	0.0	0.0	2.3
Total	100.0	30.7	23.6	12.8	21.3	11.5

Currency exposure of the Orbis Global Equity Fund

Funds	100.0	38.6	27.6	12.6	11.9	9.3
Index	100.0	63.9	18.9	8.3	5.3	3.5

Note: There may be slight discrepancies in the totals due to rounding.

Much has been written about the emotional cycle of fear and greed in investing. Both panic and excessive optimism can create extraordinary opportunities for those who can afford to be patient and lean against prevailing sentiment. But investors don't merely buy high and sell low because they are fickle, irrational creatures. For many, it's simply a case of having to call on investments for cash when times are hard.

Writing from London, it's all too clear how this dynamic is playing out in its latest manifestation. Travel restrictions and widespread "social distancing" measures have ushered in some of the toughest times seen for many years, triggering an economic shutdown that affects nearly everyone.

As is their nasty habit, financial markets are piling on the misery just when it is least welcome. In nearly two decades at Orbis, this is the third major bear market that I've seen. Of all the lessons I've learnt, the single most important one is to stay relentlessly focused on the long term. It also happens to be the easiest thing to say when everything is going well... and the hardest thing to actually do when it really matters.

As a firm, we have gone to great lengths to prepare for moments like this long before they arrive, and in the Orbis Global Equity Fund, we are broadly focused on two key questions in the current environment:

- How will our existing holdings be affected by a prolonged period of intense economic hardship?
- What new opportunities will stand out as exceptional bargains when we are looking back and writing to you five or 10 years from now?

As to the first question, it is comforting to know that there are already many companies with solid balance sheets and bright long-term outlooks in the Fund – and the sell-off has only made their valuations more compelling.

One example is UnitedHealth Group, the strongest and best-capitalised managed care organisation in the US. Investors are fearful that insurance claims will skyrocket as the pandemic spreads. Like other health insurers, the company annually reprices its policies – which are sold mainly to large employers – thereby insulating it from higher costs, except for a small lag. With the shares experiencing a drop of 30% to their mid-month lows and now trading at 15 times earnings, we think the market has been far too pessimistic.

A second example is BMW. While the pandemic has understandably put a halt to luxury car sales in many markets, shares of major automobile manufacturers were already deeply out of favour. But unlike business or holiday travel, you can't put off buying a replacement car forever, so we are confident that pent-up

demand will ultimately drive healthy future sales. With a robust balance sheet and a compelling selection of new electric models in the pipeline, we are excited about BMW's ability to overcome the challenges it is currently facing. In volatile markets, cheap shares can always get cheaper, but BMW's shares are currently available for purchase at less than four times our conservative assessment of "normal" earnings and a 40% discount to the book value of its tangible assets.

As to our second question, experience has made me mindful that big global events can often accelerate societal change. Caught in the here-and-now of the immediate crisis, big structural changes can sneak by unnoticed. In the dotcom bust of 2000-01, while investors were preoccupied with the "new vs old economy" debate, the change that dominated the next decade was China quietly joining the World Trade Organization and ushering in a natural resource bonanza. Similarly, in the aftermath of the global financial crisis, the key development was not the performance of banks versus defensives, but the advent of the smartphone. The lesson of these previous historical episodes is that it pays to think laterally and beyond the knee-jerk questions. What is quietly happening off to the side while everyone is debating the fate of travel companies?

One possibility is that the pandemic will prompt greater cooperation on other global challenges, like climate change. If so, one beneficiary might be Vestas Wind Systems, the world's largest manufacturer of wind turbines. Our research suggests that not only is wind power environmentally favourable, it is also beating fossil fuels in cost effectiveness. As electricity demand grows, there is the need for renewable power such as wind to grow approximately eightfold. Vestas, as the industry leader in both profitability and market share, appears to have a particularly bright future. But it too sold off by 30% over a few weeks despite no change in its long-term prospects.

We realise that it is almost impossible to turn away from the noise when it feels like the world is crashing down around you, but it is absolutely critical for success in investing. Far more importantly, though, we wish the very best to you and your loved ones at what is an exceptionally challenging time for many families across the globe. Not only is the pandemic creating extraordinary stresses on our economies, financial markets and our normal ways of life, but far more importantly, it is also having a devastating impact on far too many human lives. Please stay safe – and focused on the long term.

Adapted from commentary contributed by Ben Preston, Orbis Portfolio Management (Europe) LLP, London

For the full commentary please see www.orbis.com

**Fund manager quarterly
commentary as at
31 March 2020**

The availability of the Fund is subject to offshore capacity constraints. Please contact our Client Service Centre for further information about any constraints that may apply.

Management Company

Allan Gray Unit Trust Management (RF) Proprietary Limited (the 'Management Company') is registered as a management company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates 11 unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Sector Conduct Authority ('FSCA'). The Management Company is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however it is not supervised or licensed in Botswana. Allan Gray Proprietary Limited (the 'Investment Manager'), an authorised financial services provider, is the appointed Investment Manager of the Management Company and is a member of the Association for Savings & Investment South Africa ('ASISA'). The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)87 736 1732 or www.rmb.co.za

Performance

Collective Investment Schemes in Securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Movements in exchange rates may also cause the value of underlying international investments to go up or down. The Management Company does not provide any guarantee regarding the capital or the performance of the Fund. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

Fund mandate

The Fund may be closed to new investments at any time in order to be managed according to its mandate. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The Fund may borrow up to 10% of its market value to bridge insufficient liquidity.

Unit price

Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the Fund including any income accruals and less any permissible deductions from the Fund divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 16:00 each business day. Purchase and redemption requests must be received by the Management Company by 14:00 each business day to receive that day's price. Unit trust prices are available daily on www.allangray.co.za

Fees

Permissible deductions may include management fees, brokerage, Securities Transfer Tax (STT), auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from Allan Gray.

Total expense ratio (TER) and Transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged), VAT and other expenses like audit and trustee fees. Transaction costs (including brokerage, Securities Transfer Tax [STT], STRATE and Investor Protection Levy and VAT thereon) are shown separately. Transaction costs are a necessary cost in administering the Fund and impact Fund returns. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. Since Fund returns are quoted after the deduction of these expenses, the TER and Transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and Transaction costs is shown as the Total investment charge ('TIC').

FTSE Russell Indices

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Feeder fund

A feeder fund is a unit trust that invests in another single unit trust which charges its own fees. Allan Gray does not charge any additional fees in its feeder funds.

Foreign exposure

The Fund invests in a foreign fund managed by Orbis Investment Management Limited, our offshore investment partner.

Important information for investors

Need more information?

You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website www.allangray.co.za or via our Client Service Centre on **0860 000 654**